

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into this 27 day of May, 2005, between the Department of Housing and Urban Development ("HUD") and Metropolitan Title Company. This Settlement Agreement applies to Metropolitan Title Company, its officers, directors, employees, successors, assignees, and affiliated business arrangements (hereinafter, collectively referred to as "Metropolitan"). HUD and Metropolitan together shall be referred to herein as the "Parties."

RECITALS

WHEREAS, the Secretary of Housing and Urban Development is authorized to enforce the Real Estate Settlement Procedures Act of 1974 ("RESPA" or "the Act"), 12 U.S.C. § 2601 *et seq.*, and its implementing regulations (the "regulations"), 24 C.F.R. § 3500 *et seq.*; and

WHEREAS, the Secretary is authorized by Section 19 of RESPA to investigate any facts, conditions, practices, or matters deemed necessary to determine whether any person has violated or is about to violate any provision of the Act or any rule or regulation prescribed pursuant thereto; and

WHEREAS, Section 8(a) of RESPA, 12 U.S.C. § 2607(a), and its implementing regulations at 24 C.F.R. § 3500.14, prohibit the giving and receiving of any fee, kickback, or thing of value pursuant to any agreement or understanding, oral or otherwise, that business incident to or a part of a real estate settlement service involving a federally related mortgage loan shall be referred to any person; and

WHEREAS, HUD's Statement of Policy 1996-3, *Rental of Office Space, Lock-outs and Retaliation* ("SOP 1996-3") sets forth the factors that HUD uses to determine whether conference room rental agreements between settlement service providers are legitimate room rentals or whether they constitute illegal kickbacks for referrals of settlement services; and

WHEREAS, Metropolitan is a provider of title and settlement services involving federally related mortgage loans in or about the Detroit, Michigan area; and

WHEREAS, HUD has conducted an investigation of Metropolitan concerning its conference room rental practices under Section 8(a) of RESPA; and

WHEREAS, following this investigation, HUD determined that Metropolitan, in HUD's estimation, paid real estate brokers conference room rental fees in excess of the general market

rate for comparable conference room rentals that did not comply with Section 8(a) of RESPA, the regulations, and the requirements set out in SOP 1996-3; and

WHEREAS, Metropolitan denies the allegations that it did not comply with RESPA or the regulations and denies that it paid conference room rental fees that were above the general market rate; and

WHEREAS, the Parties agree that this Settlement Agreement constitutes the settlement of disputed claims between the Parties, including claims under the Act and the regulations; and

WHEREAS, the Settlement Agreement shall not constitute an admission of wrongdoing, liability, or legal fault on the part of Metropolitan for any conduct underlying this Settlement Agreement, nor shall it be construed as an admission that any person or entity acted wrongfully; and

WHEREAS, the Parties desire to avoid formal proceedings, any further expense, and to finally resolve this matter under the terms and conditions set forth below; and

WHEREAS, the terms of this Settlement Agreement are an appropriate disposition of this case and are in the public interest;

NOW, THEREFORE, in consideration of the mutual promises and representations set forth herein, and in further consideration of HUD's reliance upon the substantial accuracy and good faith of the representations and submissions made to it by Metropolitan, the Parties, intending to be legally bound, agree as follows:


AGREEMENTS

1. This Settlement Agreement is effective on the date of signature of the last signatory to the Settlement Agreement (hereinafter the "Effective Date").
2. Based on Metropolitan's compliance with the terms and conditions set forth in this Settlement Agreement, HUD will consider its investigation of Metropolitan closed, and HUD agrees to take no further enforcement action under RESPA against Metropolitan with respect to the practices described herein, or for which HUD received information during its investigation, unless such practices recur.
3. Metropolitan agrees to comply with all the provisions of RESPA and the regulations, and to conduct its business in a manner consistent with HUD policy statements.

4. Metropolitan will ensure that all present and future long-term office lease arrangements with settlement service providers will conform to standard commercial lease agreements.
5. When renting conference room space from a person in a position to refer settlement service business, such as a real estate broker, and when that person is in fact referring business to Metropolitan, Metropolitan will make a good-faith effort to determine the general market value of conference room rental space from local entities in the primary business of renting conference room space. Metropolitan will only pay such settlement service providers conference room rental rates at the minimum level of the general market value for equivalent space, equipment and other services.
6. In those circumstances where Metropolitan rents conference room space from persons in a position to refer settlement service business, such as real estate brokers, Metropolitan will rent such space in a one-hour block of time. In the event a closing takes more than one hour, rentals shall include a 15-minute grace period without additional charge. After the expiration of a 15-minute grace period, Metropolitan will pay the rental charge for a second hour of time.
7. Within twenty (20) business days of the effective date of this Settlement Agreement, Metropolitan will remit One-hundred-fifty thousand dollars (\$150,000.00) to the United States Treasury. The check should be sent care of Nilda Gallegos, U.S. Department of Housing and Urban Development, 451 7th St., SW, Room 9253, Washington, D.C. 20410.
8. It is understood and agreed that, except as otherwise stated herein, this Settlement Agreement expresses the complete settlement of Metropolitan's liabilities in connection with Metropolitan's rental of conference room space from settlement service providers as of the Effective Date of this Settlement Agreement.
9. By this Settlement Agreement the Parties do not waive, compromise, or release any claims or causes of action against any other person or entity not expressly released by this Settlement Agreement.
10. Each of the Parties shall bear its own costs and attorney's fees.

11. This Settlement Agreement applies to and binds each of the persons or entities identified in the first paragraph of this Agreement, and their respective predecessors, successors, directors, officers, employees, agents, representatives and assigns.
12. Each person who signs this Settlement Agreement in a representative capacity warrants that his or her execution of this Settlement Agreement is duly authorized, executed, and delivered by and for the entity for which he or she signs.

On Behalf of Metropolitan Title Company:


Signature

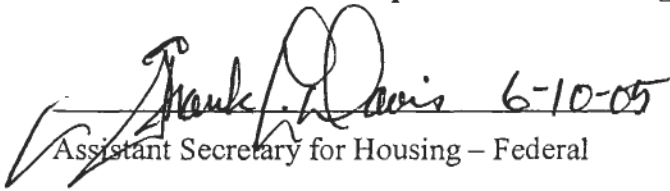
TERRENCE D. BROWN

Print Name

PRESIDENT

Title

On Behalf of the U.S. Department of Housing and Urban Development:


Assistant Secretary for Housing – Federal

Housing Commissioner